

CARDHOLDER AGREEMENT



EFFECTIVE FEBRUARY 1, 2013

CARDHOLDER AGREEMENT AND DISCLOSURE STATEMENT FOR YOUR VISA® ACCOUNT

This Agreement and Disclosure Statement covers your Visa® Account (“Account”) with us. In this Agreement, the words “you” and “your” mean any user of your Account. “We,” “our,” and “us” mean Advancial Federal Credit Union (Advancial). In this Agreement, any plural term shall be deemed singular and any singular term shall be deemed plural when context and construction so require. In this Agreement, the word “Card” means any credit card issued to you or to those designated by you under the terms of this Agreement. If you sign an application for a Visa Account under this Agreement or sign or use any Visa Card or Account issued, or allow others to use your Card or Account, you agree to all of the following terms and conditions:

1. General. You authorize us to pay for your Account items representing the following transactions: (a) purchases of goods and services made using the Card, (b) cash advances in any of the following forms: (i) cash advances obtained from financial institutions, automated teller machines, or others through use of the Card, or (ii) check advances obtained through using special checks (Convenience Checks) to access your Account. Such checks will be treated as cash advances under this Agreement and may not be used to pay your bill or any other loan with us, and (c) balance transfers requested by you orally and in writing, subject to our security procedures. You agree that we may verify the authenticity of balance transfer requests using our security procedures in place at the time of any such request.

2. Credit Limit. You will be advised of the credit limit applicable to your Account. You promise not to allow your outstanding balance to exceed your credit limit as disclosed at issuance or as adjusted from time to time at our discretion. If you exceed your credit limit, we can still charge you for all purchases and advances without giving up any of our rights. If you write a Convenience Check which causes you to exceed your credit limit, we are under no obligation to pay such check, and it may be returned to payee unpaid at our option.

3. Convenience Checks. We may at our discretion, issue checks to you which may be used for any purpose other than making a payment for credit to your account or any other loan account with us. By signing such checks,

you authorize us to pay the item for the amount indicated and post such amount as a cash advance to your account. We do not have to pay any item which would cause the outstanding balance in your account to exceed your credit limit. Please refer to the Account Opening Disclosures, attached and incorporated into this Agreement, for additional charges that apply in connection with the use of Convenience Checks.

4. Joint Applicant Liability. If the Account is issued to you and others as a joint Account, each use of your Account shall be an extension of credit to all, and each of you shall be jointly and severally liable for all charges made to the Account, including applicable fees. In addition, you agree that each of you designates the other as agent for the purpose of making purchases extended under this Agreement. Notice to one of you shall constitute notice to all. Any joint cardholder may remove him/herself from responsibility for future purchases at any time by notifying us in writing. However, removal from the Account does not release you from any liability already incurred.

5. Others Using Your Account. If you allow anyone else to use your Account, you will be liable for all credit extended to such persons. You will be liable for all actual, implied or apparent authorized use of your Account. You promise to pay for all purchases and advances made by anyone you authorize to use your Account, whether or not you notify us that he or she will be using it. If someone else is authorized to use your Account and you want to end that person’s privilege, you must let us know in writing and if he or she has a Card, you must return that Card with your written notice for it to be effective. Each user of your Account may sign the Convenience Checks without the signature of any other party to this Agreement.

6. Removal of Joint Cardholder. If a joint cardholder is removed from the Account, the Account will be closed and the remaining cardholder(s) must reapply for a new card account in order to retain credit card privileges.

7. Promise to Pay. You promise to repay us all payments made for your Account resulting from use of the Card, using your Convenience Checks or otherwise, plus an **INTEREST CHARGE** on the unpaid balance. At the end of each monthly billing cycle, you will be furnished a periodic statement showing, among other things, the amount of all purchases, advances, fees, and **INTEREST CHARGES** posted to your Account during the billing

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cycle, together with all payments and credits posted to your Account. The periodic statement will also show the balance owed as of the end of the billing cycle. The balance owed will be designated as the "New Balance" on the periodic statement.

You agree to pay on or before the "Payment Due Date" shown on the front of the periodic statement, at your option, either (a) the entire "New Balance", or (b) the "Current Payment Due" which includes a minimum payment equal to an amount which is at least 3% of the "New Balance" or \$18.00, whichever is greater, plus any amount in excess of the credit limit established by us, plus any past due minimum payments. If any "New Balance" is \$18.00 or less, it shall be paid in full. You may make extra payments in advance of the due date without penalty, and you may repay any monies advanced, credit extended, or amount outstanding at any time without penalty for early payment. Regardless of the amount of any extra payment during a given month, a monthly payment will be required the following month if a balance remains in your Account.

8. Cost of Credit.

a. Balance subject to and rate of INTEREST CHARGE – If your Card features an Introductory Rate for purchases, until the first day of the billing cycle that includes the 12-month anniversary date of the opening of your Account, you will pay an **INTEREST CHARGE** for all purchases made at the Introductory Rate Daily Periodic Rate and corresponding **ANNUAL PERCENTAGE RATE ("APR")** set forth in the Account Opening Disclosures. Thereafter, and for cash advances at all times, including during any Introductory Rate period, you will pay an **INTEREST CHARGE** for all advances made against your Account at the Standard Rate Daily Periodic Rate and corresponding **APR** set forth in the Account Opening Disclosures. Balance transfers may be subject to a temporary Promotional Rate as set forth in the Account Opening Disclosures, and will be subject to the Standard Rate Daily Periodic Rate and **APR** after any Promotional Rate period. If a temporary Promotional Rate does not apply, balance transfers will be subject to the Standard Rate Daily Periodic Rate and **APR** at all times, including during any Introductory Rate period for purchases.

Cash advances, including balance transfers, incur an **INTEREST CHARGE** from the date they are posted to the Account. New purchases will not incur an **INTEREST CHARGE** on the date they are posted to the Account if you have paid the Account in full by the due date shown on your previous monthly statement or if there was no previous balance. No additional **INTEREST CHARGE** will be incurred whenever you pay the Account in full by the Payment Due Date.

If your Card features an Introductory Rate, and if at any time during the Introductory Rate period your Account is 60 days or more delinquent, we may increase the Introductory Rate for purchases to the Standard Rate Daily Periodic Rate and **APR**. The Standard Rate Daily Periodic Rate and **APR** will apply both to the current purchases balance and to new purchases. We may return the Standard Rate **APR** for purchases to the Introductory Rate **APR** if you make payments as required for the first six consecutive months beginning with the first payment due following the effective date of the loss of the Introductory Rate, provided that the Introductory Rate will still be in effect at that time.

We calculate the periodic **INTEREST CHARGE** on your Account by applying the applicable Daily Periodic Rate to the Average Daily Balance of your Account for each feature category, including certain current transactions. Feature categories include purchases, balance transfers, cash advances and promotional balances. These calculations may combine different feature categories with the same Daily Periodic Rates. The Average Daily Balance for each feature category is arrived at by taking the beginning balance of each feature category each day and adding any new transactions to the balance, except we will not include new purchases if you have paid in full the New Balance on your previous statement by the Payment Due Date or if the New Balance on your previous statement was zero or reflected a credit balance. We then subtract any payments or credits and unpaid **INTEREST CHARGES** and **FINANCE CHARGES** allocated to the feature category balance for the day. This gives us the daily balance for such feature category. The daily balances for each feature category are then added together and divided by the number of days in the billing cycle. The result is the Average Daily Balance

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for each feature category. The periodic **INTEREST CHARGE** for each feature category is determined by multiplying the Average Daily Balance by the number of days in the billing cycle and applying the applicable Daily Periodic Rate to the product.

b. Grace Period and When INTEREST CHARGE Begins to Accrue – Credit purchases made during a billing cycle will not accrue a periodic rate portion of **INTEREST CHARGES** during that billing cycle if you have paid in full the entire “New Balance” shown on your most recent previous periodic statement by the “Payment Due Date” shown on such statement, or there was a zero or credit balance on your most recent previous periodic statement, and you pay the New Balance in full by the Payment Due Date shown on the current billing statement. The Payment Due Date will be at least 25 days from the date we send each periodic statement. Otherwise, the **INTEREST CHARGE** on credit purchases will begin to accrue on the date each credit purchase is posted to your Account. To avoid an additional periodic rate portion of **INTEREST CHARGES** being applied in the next billing cycle to current cycle credit purchases, you must pay in full the New Balance by the Payment Due Date shown on your periodic statement. The cash advance fee **FINANCE CHARGE** will be assessed on the last day of the billing cycle for each cash advance posted to your Account during that billing cycle.

c. Periodic Review of Creditworthiness and APR Adjustments – Except for Dinero Visa and Share Secured Visa Accounts, the Standard Rate Daily Periodic Rate and corresponding **APR** for all advances is based on certain creditworthiness criteria. After your Account has been open for at least one year, we may review your creditworthiness from time to time, including when you request a credit limit increase, and adjust the Standard Rate Daily Periodic Rate and corresponding **APR** for all advances within the range set forth in the Account Opening Disclosures. If we increase your Standard Rate **APR**, we will notify you in accordance with applicable law. Increases in your Standard Rate **APR** will remain in effect for at least six months and may remain in effect indefinitely. Any increase in your Standard Rate **APR** will only apply to advances made after the effective date of the change. Advances made before the effective date of a Standard Rate **APR** increase will remain subject to the **APR** in effect before the date of the change.

d. Cash Advance Fee – If you obtain a cash advance using your Card or Account, there will be a Cash Advance Fee **FINANCE CHARGE** in an amount as set forth in the Account Opening Disclosures. The Cash Advance Fee is a non-periodic **FINANCE CHARGE** and does not accrue interest. There is no grace period in which to repay a cash advance in order to avoid paying the Cash Advance Fee.

e. Balance Transfer Fee and Transaction Limits – If you obtain a balance transfer using your Card or Account, there will be a Balance Transfer Fee **FINANCE CHARGE** in an amount as set forth in the Account Opening Disclosures. The Balance Transfer Fee is a non-periodic **FINANCE CHARGE** and does not accrue interest. There is no grace period in which to repay a balance transfer in order to avoid paying the Balance Transfer Fee. Balances from multiple accounts may be transferred in connection with a balance transfer, but only one balance transfer transaction is permitted every six months. In addition, a balance transfer must be paid in full before the next balance transfer will be approved.

9. Default. You will be in default: (a) if you fail to make any payment on time; (b) if you fail to keep any promises you have made under this Agreement or any other agreement with us; (c) if you are the subject of an order for relief under Title 11 of the U.S. Code (Bankruptcy); (d) if anyone tries, by legal process, to take any of your money kept with us; (e) if you have given us false or inaccurate information in obtaining your Card; or (f) if anything happens which we reasonably believe endangers your ability to repay what you owe.

10. Acceleration. If you are in default, we may call any amounts you still owe immediately due and payable plus **INTEREST CHARGES** which shall continue to accrue until the entire amount is paid. The Card remains our property at all times, and you agree to immediately surrender the Card and any unused Convenience Checks on our demand. You agree to pay all reasonable costs of collection, including court costs and attorney’s fees and any costs incurred in the recovery of the Card. You expressly waive presentment, demand, notice of intention to accelerate, and notice of acceleration of the maturity of any amounts owing under this Agreement.

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11. Termination or Changes. We can, by written notice, terminate this Agreement at any time. You may terminate this Agreement, by written notice, as to future advances at any time. Termination by either party shall not affect your obligation to repay any payments made for your Account resulting from the use of the Card or using your Convenience Checks as well as **INTEREST CHARGES** and other related charges. Subject to applicable law, we have the right to add to, change, or delete any of the terms of this Agreement, including the periodic rate, at any time by written notice.

12. Late Payment Fee. We may assess a Late Payment Fee in an amount as set forth in the Account Opening Disclosures if your "Current Payment Due" is not received within 10 days of your payment due date. In no event will the amount of the Late Payment Fee exceed the amount of the required minimum payment for the applicable statement period.

13. Returned Payment Fee. If you send us a check or other form of payment for your Account and the check or payment is not honored, you may be charged a Returned Payment Fee in an amount as set forth in the Account Opening Disclosures. In no event will the amount of the Returned Payment Fee exceed the amount of the required minimum payment for the applicable statement period. If a Convenience Check is returned, you will be charged a fee for each returned check as set forth in the Account Opening Disclosures.

14. Liability for Unauthorized Use. You may be liable for the unauthorized use of your Card. If you notice the loss or theft of your Card or a possible unauthorized use of your Card, you should call us or our designee immediately at:

800.322.2709	800.543.5073
Advancial	Our Designee
(during our regular business hours)	(after or before Advancial's regular business hours)

You may also write us at:

Advancial
1845 Woodall Rodgers Fwy., Ste. 1300
Dallas, TX 75201

Although you may write to notify us of unauthorized use, calling us immediately at the telephone numbers above is the best way to keep your possible losses down.

Under Visa's zero liability policy, you will not be liable for unauthorized use of your Card once you notify us orally or in writing of the loss, theft or possible unauthorized use. Visa's zero liability policy does not apply if you are grossly negligent or fraudulent in the handling of your Account or your Card, nor does it apply in the case of cash advances obtained at an ATM. You will not be liable for any unauthorized use that occurs after you notify us. You may, however, be liable for unauthorized use that occurs before your notice to us. In any case, your liability will not exceed \$50.00.

15. Change of Address and Other Information. If you move, you must promptly give us your new address so we may change our records. You agree to write your new address on that portion of the monthly statement returned with your payment, or, if you pay electronically, by way of our payment website. You also agree to notify us promptly of any change in your name, telephone number or place of employment.

16. Crediting of Payments. We accept payments at (i) our branch offices, (ii) at the address given on the front of your monthly statement, and (iii) electronically through our online banking website. Payments received by these methods will be credited on the date of receipt. Payments not received by these methods may be subject to a delay in crediting of up to five days. Payments or credits will be applied first to any **INTEREST CHARGES** then due and the remainder to the unpaid balance.

17. Non-Waiver. We can accept late payment(s) or partial payment(s) or check(s) or money order(s) marked "payment in full" without losing any of our rights under this Agreement. We can also delay enforcing any of our rights under this Agreement without losing them.

18. Stop-Payment Orders. Our rules for stopping payment on our ordinary checks apply to stopping payment on your Convenience Checks. If you ask us to stop payment or renew a stop payment order, you will be charged for each order or renewal of an order the amount then being charged by us for all of our checking accounts.

19. Post-Dated Checks. You agree not to write post-dated Convenience Checks, and you further agree to hold us harmless from any and all losses and liability incurred due to the inadvertent payment by us of a post-dated Convenience Check written by you.

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20. Conforming Charges to Applicable Law.

Notwithstanding any other provisions contained in this Agreement, we do not intend to charge and you shall not be required to pay any amount of **INTEREST CHARGE** or other fee or charge that is in excess of the maximum permitted by applicable law. Any payments in excess of the maximum shall be refunded to you or credited against your principal balance at our option.

21. Security for this Account. To secure your Credit Card Account, you grant us a purchase money security interest under the Uniform Commercial Code in any goods you purchase through the Account. If you default, we will have the right to recover any of these goods which have not been paid for. As a condition for the approval of your Visa Account you grant us a specific pledge of your Credit Union shares as provided below.

22. Pledge of Share Account(s) – NOTE: You specifically grant us a consensual security interest in all individual and joint accounts you have with us now and in the future to secure repayment of credit extensions made under this agreement. The granting of this security interest is a condition for the issuance of any Card which you may use, directly or indirectly, to obtain extensions of credit under this Agreement. Shares and deposits in an Individual Retirement Account or any other account that would lose special tax treatment under state or federal law if given as security are not subject to the security interest you are giving.

23. Additional Security. If you have other loans with us, now or in the future, collateral securing those loans may also secure your obligations under this Agreement. Please read any security agreement you sign in order to determine if the collateral also secures your obligations under this Agreement and other agreements you have with us.

24. Notification Address for Information Reported to Consumer Reporting Agencies.

We may report the status and payment history of your Account to credit reporting agencies each month. If you believe that the information we have reported is inaccurate or incomplete, please notify us in writing at Advancial Federal Credit Union, 1845 Woodall Rodgers Freeway, Ste. 1300, Dallas, TX 75201. Please include your name, address, telephone numbers and Account number.

25. Illegal Transactions. You may not use your Card or Account for any illegal transaction. You agree that we may decline to process any transaction which we believe in good faith to be for an illegal purpose. You agree that we will not be liable for declining to process any such transaction. If we do process any transaction which ultimately is determined to have been for an illegal purpose, you agree that you will remain liable to us under this Agreement for any such transaction notwithstanding its illegal nature. You agree that any illegal use of the Card or your Account will be deemed an act of default under this Agreement. You further agree to waive any right to take legal action against us for your illegal use of the Card or Account and to indemnify, defend, and hold us and Visa International, Inc. harmless from and against any lawsuits, other legal action, claims or liability that results directly or indirectly from such illegal use.

26. International Transactions. If you effect an international transaction with your Visa Card, the rate of exchange between the transaction currency and the billing currency used for processing the international transaction will be a rate selected by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which rate may vary from the rate Visa itself receives or the government-mandated rate in effect for the applicable central processing date. We will charge a Foreign Transaction Fee in an amount as set forth in the Account Opening Disclosures, in U.S. dollars, on all international purchase, cash disbursement, and Account credit transactions, even if no currency conversion is performed. The Foreign Transaction Fee is a non-periodic **FINANCE CHARGE** and does not accrue interest. There is no grace period for repayment of international transactions in order to avoid the Foreign Transaction Fee.

27. Visa Emergency Services. If you request and we agree to provide Visa Emergency Services, you acknowledge that we may provide personal data concerning you to Visa U.S.A., its Members, or their respective contractors for the purpose of providing you with Visa Emergency cash and emergency Card Replacement Services, and you consent to the release of your information for these purposes.

28. Additional Provisions. Each provision of this Agreement must be considered as part of the total Agreement and cannot, in any way, be severed from it.

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However, you also agree that if any part of the Agreement be found invalid, it will in no way affect the remainder of the Agreement. The validity, construction, and enforcement of this Agreement shall be governed by the laws of the State of Texas to the extent not preempted by federal law.

We do not warrant any merchandise or services purchased by you with the Card or your Convenience Checks. All purchases and cash advances are extended at the option of the merchant or cash advancing financial institution, and we are not responsible for the refusal of any merchant or financial institution to honor your Card or your Convenience Checks.

YOUR BILLING RIGHTS – KEEP THIS NOTICE FOR FUTURE USE

This notice contains important information about your rights and our responsibilities under the Fair Credit Billing Act.

What to Do if You Find a Mistake on Your Statement

If you think there is an error on your statement, write to us at:

Advancial
1845 Woodall Rodgers Fwy., Ste. 1300
Dallas, TX 75201

In your letter, give us the following information:

- Account information: Your name and account number.
- Dollar amount: The dollar amount of the suspected error.
- Description of problem: If you think there is an error on your statement, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least three business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

What Will Happen After We Receive Your Letter

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe your statement is correct. While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- *If we made a mistake:* You will not have to pay the amount in question or any interest or other fees related to that amount.
- *If we do not believe there was a mistake:* You will have to pay the amount in question along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your statement is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your statement. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

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If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

Your Rights if You are Dissatisfied with Your Credit Card Purchases

If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase. To use this right, all of the following must be true:

1. The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)

2. You must have used your Credit Card for the purchase. Purchases made with cash advances from an ATM or with a Convenience Check that accesses your credit card Account do not qualify.

3. You must not yet have fully paid for the purchase. If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at:

Advancial
1845 Woodall Rodgers Fwy., Ste. 1300
Dallas, TX 75201

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.